

The Honorable Christopher M. Alston  
Chapter: 7  
Hearing Date: August 25, 2022  
Hearing Time: 9:30 a.m.  
Hearing Location: Seattle, WA  
Response Date: August 18, 2022

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

In re:

TOC Holdings Co., fka Time Oil Co.,  
Debtor.

Case No. 17-11872-CMA

**TRUSTEE'S MOTION FOR ORDER  
AUTHORIZING HIM TO PAY  
SECOND PRO RATA DISTRIBUTION  
TO CREDITORS WITH ALLOWED  
GENERAL UNSECURED CLAIMS**

COMES NOW Edmund J. Wood as trustee ("Trustee") for the bankruptcy estate of TOC Holdings Co. fka Time Oil Co., (the "Debtor") by and through his counsel Foster Garvey PC and Deborah A. Crabbe and moves the Court for the entry of an order pursuant to 11 U.S.C. §§ 506(a), 507 and 726(a)(1) and (2) (the "Motion") authorizing the Trustee to pay allowed secured claims in full, to pay allowed priority tax claims in full and to pay an interim distribution to creditors with allowed general unsecured claims.

**1. Claims to be Paid.**

The Trustee presently holds the sum of \$3,132,764.93<sup>1</sup> and is requesting authority to distribute \$2,292,842.65 less \$11,351.17 (which are outstanding checks from the first

<sup>1</sup> A motion is also being filed seeking an interim distribution for the Trustee's professionals in the approximate sum of \$349,922.38, which will leave approximately \$500,000 in the bankruptcy estate. *Wood Dec.*, ¶ 5. In an abundance of caution and given the history of issues arising with the remaining real property of the Debtor, the Trustee has elected to retain a pool of funds pending the closing of the sale of the Mountlake Terrace property, the resolution of two post-closing issues for the Portland property and the expected abandonment of the Vancouver

1 distribution) for a net distribution of \$2,281,491.48 for the second interim distribution to  
2 creditors with allowed, general unsecured claims. See Declaration of Edmund J. Wood,  
3 hereinafter *Wood Dec.*, ¶¶ 3-4.

4 The creditors with allowed general unsecured claims who are to receive an interim pro  
5 rata distribution on their allowed claims pursuant to 11 U.S.C. § 726(a)(2) are set forth in  
6 **Exhibit A** to the Wood Dec. *Wood Dec.*, ¶ 6, **Ex. A**. All payments will be made by check  
7 except that the Trustee has agreed to pay two of the largest claims, claim 36-2 and claim 47-1, by  
8 wire transfer with the consent of the United States Trustee's office. *Wood Dec.*, ¶ 6.

9 **2. Remaining Actions to be Taken in Case.**

10 The Trustee is under contract to sell real property located at 24205 and 24225 56th Ave.  
11 W. Mountlake Terrace, WA 98043. *Wood Dec.*, ¶ 8. The buyer, Steve Cho, is continuing to  
12 undertake due diligence in conjunction with certain environmental contamination associated with  
13 the property *Wood Dec.*, ¶ 9. The deadline to waive the due diligence contingency is December  
14 31, 2023. *Wood Dec.*, ¶ 05.

15 The Trustee has also undertaken discussions with the Washington State Department of  
16 Ecology ("DOE") regarding the contaminated property located 4403 N.E. St. James Road,  
17 Vancouver, WA 98663 and what should be done with the property. *Wood Dec.*, ¶¶ 11-13. The  
18 Trustee has received limited interest for the property and has concluded that abandonment is the  
19 appropriate course of action. *Wood Dec.*, ¶¶ 12- 13. DOE cannot take title to the property so a  
20 transfer of the property to DOE, which currently contains remediation equipment being used by  
21 DOE for the cleanup of adjacent land, is not an option. *Id.*

22 In addition, there are two remaining post-closing issues to resolve for the sale of the  
23 Portland property located at 10350 N. Time Oil Road, Portland, OR 97203: the dock lease issue  
24  
25

26 property at which time, the Trustee anticipates the case can be closed and a final distribution will  
be made to the general unsecured creditors. *Wood Dec.*, ¶¶ 5, 7-15.

1 and the continuing claim by the city of Portland regarding the use water attributable to fire line  
2 on the property. *Wood Dec.*, ¶ 14.

3 The Trustee is optimistic that the case can be wound up once the sale of the Mountlake  
4 Terrace property closes. This is expected in early 2024. *Wood Dec.*, ¶ 15.

5 DATED this 25<sup>th</sup> day of July, 2022.

6 FOSTER GARVEY PC

7 /s/ Deborah A. Crabbe

8 Deborah A. Crabbe, WSBA #22263

9 1111 Third Ave. Ste. 3000

10 Seattle, WA 98101

11 Telephone: 206-447-5325

12 Facsimile: 206-447-9700

13 Email: [deborah.crabbe@foster.com](mailto:deborah.crabbe@foster.com)

14 Attorneys for Trustee Edmund J. Wood